



CITY OF
PORTLAND, OREGON
OFFICE OF THE CITY ATTORNEY

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INTEROFFICE MEMORANDUM

TO: City Budget Office

FROM: Tracy Reeve *JPR*
City Attorney

SUBJECT: FY2018-19 Fall Budget Monitoring Process

Attached is the City Attorney's Office's Fall Budget Monitoring Report for FY2018-19. In summary, the office's prior year expenditures were 3% under budget. There are no significant issues to report for the prior year.

Fall BMP requests include one minor technical adjustment and one change to an interagency agreement with the Office of Community Technology.

TPR/ccj
Encls.

**CBO Discussion and Recommendations
FY 2018-19 Fall Supplemental Budget Ordinance**

Bureau: Office of the City Attorney

Type: Mid-Year Reductions

Request: AT_001 - IA Adjustment with OCT

	Fall BMP Requested Adjustments	Fall BMP CBO/Council Changes	Fall BMP Total Adjustments
EXPENDITURES			
External Materials and Services	(18,180)	0	(18,180)
TOTAL EXPENDITURES	(18,180)	0	(18,180)
REVENUES			
Interagency Revenue	(18,180)	0	(18,180)
TOTAL REVENUES	(18,180)	0	(18,180)

Bureau Description:

This request eliminates the interagency funding for City Attorney legal services to the Office of Community Technology for legal work related to the Mt. Hood Cable Regulatory Commission. The City Attorney's Office will not provide those legal services this fiscal year. Therefore, the budget should be reduced by \$18,180.

CBO Discussion and Recommendation

**CBO Discussion and Recommendations
FY 2018-19 Fall Supplemental Budget Ordinance**

Bureau: Office of the City Attorney

Type: Technical Adjustment

Request: AT_002 - Technical Adjustments

	Fall BMP Requested Adjustments	Fall BMP CBO/Council Changes	Fall BMP Total Adjustments
EXPENDITURES			
Internal Materials and Services	0	0	0
TOTAL EXPENDITURES	0	0	0

Bureau Description:

This request moves \$357 for the flu shots program from Risk Management to the Bureau of Human Resources.

CBO Discussion and Recommendation

Prior Year Business Area Reconciliation Report

	FY 2017-18 Revised Budget	FY 2017-18 Year-End Actuals	Percent of Actuals to Revised
Office of the City Attorney			
EXPENDITURES			
Personnel Services	\$10,561,961	\$10,378,878	98%
External Materials and Services	\$492,080	\$362,101	74%
Internal Materials and Services	\$1,526,420	\$1,495,630	98%
TOTAL EXPENDITURES	\$12,580,461	\$12,236,609	97%
REVENUES			
Charges for Services	\$30,000	\$71,690	239%
Interagency Revenue	\$6,224,862	\$6,224,862	100%
Miscellaneous	\$0	\$601	0%
General Fund Discretionary	\$2,745,887	\$0	0%
General Fund Overhead	\$3,579,712	\$0	0%
TOTAL REVENUES	\$12,580,461	\$6,297,153	50%

Bureau Reconciliation Narrative

Overall expenditures were on target and three percent under budget. The External Materials and Services category was underspent due, in part, to low costs for BOLI to provide administrative enforcement of complaints for violations of Portland City Code Chapter 23.10 addressing the removal of barriers to employment. On the revenue side, the Charges for Services category, which includes legal services to the Police Bureau for civil forfeiture work, public records fees, and miscellaneous litigation awards, were higher than budgeted by a significant amount. Because these revenues are inconsistent and difficult to predict, the office has been conservative in its budget estimates.

Office of the City Attorney

Performance Measures

Performance Measure	Type	FY 2015-16	FY 2016-17	FY 2017-18	FY 2017-18	FY 2018-19
		Year-End Actuals	Year-End Actuals	Adopted Budget	Year-End Actuals	Adopted Budget
AT_0001 - Number of litigation cases	WORKLOAD	1,447	1,580	1,600	1,481	1,600
AT_0004 - Number of contracts reviewed and approved	WORKLOAD	8,983	9,938	9,000	11,432	10,500
AT_0006 - Number of training hours provided by City Attorney staff to other City staff	KPM	451	468	400	394	400
AT_0007 - Annual costs of outside counsel	KPM	\$316,443	\$508,718	\$400,000	\$490,695	\$575,000
AT_0008 - Cost of service per attorney hour	KPM	\$138	\$138	\$151	\$141	\$150
AT_0010 - Percentage of cases favorably resolved	KPM	95%	90%	85%	97%	85%

Performance Measure Variance Descriptions

Litigation Cases: The office handled fewer litigation cases than target. This decrease was due, in large part, to more efficient management of the business license legal collections process. The new process reduced the number of cases but increased the amount of revenue brought in to the City. The office also handled fewer grievances and general litigation cases. Additionally, the prior year actuals have been corrected to address a data collection error that resulted in counting some cases more than once.

Contract Reviews: The number of contract reviews for approval as to form has more than doubled in the last ten years and continues to rise. The City Attorney's Office must increase staffing for this work or else lower the expectation for timeliness of review. Average turnaround time for contract review increased from 1.8 to 2.2 days over prior year. In addition, 91% of contracts were returned within 3 days in FY16-17; only 81% were returned within 3 days in FY17-18. The office added one-time paralegal resources for FY18-19 but will need to address this as an ongoing need.

Training Hours Provided: The number of training hours provided to City staff was on target. The office continues to make legal training a priority which lowers risk and cost to the City. Legal training for City employees on topics such as ADA compliance, the discipline process, HRAR 2.02, election laws, civil forfeitures and legal records management, for example, are important to reaching all four of the office's primary goals; providing excellent customer service and legal advice, providing effective advocacy, achieving equity, and ensuring good stewardship of public resources. Several years ago, the office developed an improved legal hold program which required a citywide training effort for several years. Ongoing training will be provided but fewer trainings hours were needed after the initial roll-out.

Outside Counsel Costs: Outside counsel costs were slightly higher than estimated but within normal range. Because in-house rates are significantly lower than rates for outside counsel, and because the office attorneys have greater expertise in municipal matters, a goal of the City Attorney's Office is to minimize the number of occasions when outside counsel is hired. Some outside counsel costs are unavoidable; however, having sufficient in-house staff has reduced costs while providing consistent and high quality legal services.

Cost of Service per Attorney Hour: The actual attorney hourly rate was lower than anticipated due to expenses coming in under budget. The attorney hourly rate remains less than half the rate of outside counsel and is a clear indicator that the City Attorney's Office minimizes the City's overall legal costs. Providing cost-effective legal services relates directly to all four of the office's primary goals and demonstrates that the office continues to be an effective steward of public resources by providing excellent, easily accessible legal services to the City, at a very affordable rate.

Percent of Cases Favorably Resolved: The City Attorney's Office handles cases in state and federal courts and in other proceedings to protect the City's interests. Cases can be resolved in many ways including early alternative dispute resolution, the strategic use of offers of judgment to minimize the risk of adverse outcomes in cases taken to trial, and the vigorous defense or prosecution of cases through pretrial motions, trial and on appeal. This effectiveness metric measures the results, either favorable or unfavorable, of litigation cases. The office set a high target of 85% of cases resolved in favor of the City. The office has exceeded this target. Not only are these excellent results, but they were achieved at a low cost to the City by using in-house counsel rather than more-expensive outside counsel. The office will continue to strive for excellent results when advocating for the City's interests.